

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 6.11 as follows:

6 (5 ILCS 375/6.11)

7 Sec. 6.11. Required health benefits; Illinois Insurance
8 Code requirements. The program of health benefits shall provide
9 the post-mastectomy care benefits required to be covered by a
10 policy of accident and health insurance under Section 356t of
11 the Illinois Insurance Code. The program of health benefits
12 shall provide the coverage required under Sections 356g,
13 356g.5, 356g.5-1, 356m, 356u, 356w, 356x, 356z.2, 356z.4,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, 356z.15, ~~and 356z.17,~~ and 356z.22 of the Illinois
16 Insurance Code. The program of health benefits must comply with
17 Sections 155.22a, 155.37, 355b, and 356z.19 of the Illinois
18 Insurance Code.

19 Rulemaking authority to implement Public Act 95-1045, if
20 any, is conditioned on the rules being adopted in accordance
21 with all provisions of the Illinois Administrative Procedure
22 Act and all rules and procedures of the Joint Committee on
23 Administrative Rules; any purported rule not so adopted, for

1 whatever reason, is unauthorized.

2 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
3 eff. 7-13-12; 98-189, eff. 1-1-14.)

4 Section 10. The Counties Code is amended by changing
5 Section 5-1069.3 as follows:

6 (55 ILCS 5/5-1069.3)

7 Sec. 5-1069.3. Required health benefits. If a county,
8 including a home rule county, is a self-insurer for purposes of
9 providing health insurance coverage for its employees, the
10 coverage shall include coverage for the post-mastectomy care
11 benefits required to be covered by a policy of accident and
12 health insurance under Section 356t and the coverage required
13 under Sections 356g, 356g.5, 356g.5-1, 356u, 356w, 356x,
14 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12, 356z.13,
15 356z.14, and 356z.15 of the Illinois Insurance Code. The
16 coverage shall comply with Sections 155.22a, 355b, ~~and~~ 356z.19,
17 and 356z.22 of the Illinois Insurance Code. The requirement
18 that health benefits be covered as provided in this Section is
19 an exclusive power and function of the State and is a denial
20 and limitation under Article VII, Section 6, subsection (h) of
21 the Illinois Constitution. A home rule county to which this
22 Section applies must comply with every provision of this
23 Section.

24 Rulemaking authority to implement Public Act 95-1045, if

1 any, is conditioned on the rules being adopted in accordance
2 with all provisions of the Illinois Administrative Procedure
3 Act and all rules and procedures of the Joint Committee on
4 Administrative Rules; any purported rule not so adopted, for
5 whatever reason, is unauthorized.

6 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
7 eff. 7-13-12; 98-189, eff. 1-1-14.)

8 Section 15. The Illinois Municipal Code is amended by
9 changing Section 10-4-2.3 as follows:

10 (65 ILCS 5/10-4-2.3)

11 Sec. 10-4-2.3. Required health benefits. If a
12 municipality, including a home rule municipality, is a
13 self-insurer for purposes of providing health insurance
14 coverage for its employees, the coverage shall include coverage
15 for the post-mastectomy care benefits required to be covered by
16 a policy of accident and health insurance under Section 356t
17 and the coverage required under Sections 356g, 356g.5,
18 356g.5-1, 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.10,
19 356z.11, 356z.12, 356z.13, 356z.14, and 356z.15 of the Illinois
20 Insurance Code. The coverage shall comply with Sections
21 155.22a, 355b, ~~and~~ 356z.19, and 356z.22 of the Illinois
22 Insurance Code. The requirement that health benefits be covered
23 as provided in this is an exclusive power and function of the
24 State and is a denial and limitation under Article VII, Section

1 6, subsection (h) of the Illinois Constitution. A home rule
2 municipality to which this Section applies must comply with
3 every provision of this Section.

4 Rulemaking authority to implement Public Act 95-1045, if
5 any, is conditioned on the rules being adopted in accordance
6 with all provisions of the Illinois Administrative Procedure
7 Act and all rules and procedures of the Joint Committee on
8 Administrative Rules; any purported rule not so adopted, for
9 whatever reason, is unauthorized.

10 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
11 eff. 7-13-12; 98-189, eff. 1-1-14.)

12 Section 20. The School Code is amended by changing Section
13 10-22.3f as follows:

14 (105 ILCS 5/10-22.3f)

15 Sec. 10-22.3f. Required health benefits. Insurance
16 protection and benefits for employees shall provide the
17 post-mastectomy care benefits required to be covered by a
18 policy of accident and health insurance under Section 356t and
19 the coverage required under Sections 356g, 356g.5, 356g.5-1,
20 356u, 356w, 356x, 356z.6, 356z.8, 356z.9, 356z.11, 356z.12,
21 356z.13, 356z.14, ~~and~~ 356z.15, and 356z.22 of the Illinois
22 Insurance Code. Insurance policies shall comply with Section
23 356z.19 of the Illinois Insurance Code. The coverage shall
24 comply with Sections 155.22a and 355b of the Illinois Insurance

1 Code.

2 Rulemaking authority to implement Public Act 95-1045, if
3 any, is conditioned on the rules being adopted in accordance
4 with all provisions of the Illinois Administrative Procedure
5 Act and all rules and procedures of the Joint Committee on
6 Administrative Rules; any purported rule not so adopted, for
7 whatever reason, is unauthorized.

8 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-813,
9 eff. 7-13-12; 98-189, eff. 1-1-14.)

10 Section 25. The Illinois Insurance Code is amended by
11 adding Section 356z.22 as follows:

12 (215 ILCS 5/356z.22 new)

13 Sec. 356z.22. Child screening; blood lead, immunizations,
14 and hearing loss. On and after the effective date of this
15 amendatory Act of the 98th General Assembly, no group health
16 insurance policy providing hospital or medical expense
17 benefits for groups with more than 50 persons shall be
18 delivered, issued, executed, or renewed in this State or
19 approved for issuance or renewal in this State, unless the
20 policy provides benefits to any named insured or other person
21 covered in the policy for expenses incurred in the following:

22 (1) Screening by blood lead measurement for lead
23 poisoning for children, including confirmatory blood lead
24 testing and medical evaluation and any necessary medical

1 follow up and treatment for lead-poisoned children.

2 (2) All childhood immunizations as recommended by the
3 Advisory Committee on Immunization Practices of the United
4 States Public Health Service and the Department of Public
5 Health. A health insurer shall notify its policyholders, in
6 writing, of any change in coverage with respect to
7 childhood immunizations and any related changes in
8 premium. The notification shall be in a form and manner
9 determined by the Director.

10 (3) Screening for newborn hearing loss by appropriate
11 electrophysiologic screening measures and periodic
12 monitoring of infants for delayed onset hearing loss.
13 Payment for this screening service shall be separate and
14 distinct from payment for routine new baby care in the form
15 of a newborn hearing screening fee as negotiated with the
16 provider and facility.

17 The benefits provided pursuant to this Section shall be
18 provided to the same extent as for any other medical condition
19 under the policy, except that a deductible shall not be applied
20 for benefits provided pursuant to this Section. However, with
21 respect to a policy that qualifies as a high deductible health
22 plan for which qualified medical expenses are paid using a
23 health savings account established pursuant to Section 223 of
24 the federal Internal Revenue Code of 1986 (26 U.S.C. 223), a
25 deductible shall not be applied for any benefits provided
26 pursuant to this Section that represent preventive care as

1 permitted by that federal law. This Section applies to all
2 group health insurance policies in which the health insurer has
3 reserved the right to change the premium.
4

5 Section 30. The Health Maintenance Organization Act is
6 amended by changing Section 5-3 as follows:

7 (215 ILCS 125/5-3) (from Ch. 111 1/2, par. 1411.2)

8 Sec. 5-3. Insurance Code provisions.

9 (a) Health Maintenance Organizations shall be subject to
10 the provisions of Sections 133, 134, 136, 137, 139, 140, 141.1,
11 141.2, 141.3, 143, 143c, 147, 148, 149, 151, 152, 153, 154,
12 154.5, 154.6, 154.7, 154.8, 155.04, 155.22a, 355.2, 355.3,
13 355b, 356g.5-1, 356m, 356v, 356w, 356x, 356y, 356z.2, 356z.4,
14 356z.5, 356z.6, 356z.8, 356z.9, 356z.10, 356z.11, 356z.12,
15 356z.13, 356z.14, 356z.15, 356z.17, 356z.18, 356z.19, 356z.21,
16 356z.22, 364.01, 367.2, 367.2-5, 367i, 368a, 368b, 368c, 368d,
17 368e, 370c, 370c.1, 401, 401.1, 402, 403, 403A, 408, 408.2,
18 409, 412, 444, and 444.1, paragraph (c) of subsection (2) of
19 Section 367, and Articles IIA, VIII 1/2, XII, XII 1/2, XIII,
20 XIII 1/2, XXV, and XXVI of the Illinois Insurance Code.

21 (b) For purposes of the Illinois Insurance Code, except for
22 Sections 444 and 444.1 and Articles XIII and XIII 1/2, Health
23 Maintenance Organizations in the following categories are
24 deemed to be "domestic companies":

1 (1) a corporation authorized under the Dental Service
2 Plan Act or the Voluntary Health Services Plans Act;

3 (2) a corporation organized under the laws of this
4 State; or

5 (3) a corporation organized under the laws of another
6 state, 30% or more of the enrollees of which are residents
7 of this State, except a corporation subject to
8 substantially the same requirements in its state of
9 organization as is a "domestic company" under Article VIII
10 1/2 of the Illinois Insurance Code.

11 (c) In considering the merger, consolidation, or other
12 acquisition of control of a Health Maintenance Organization
13 pursuant to Article VIII 1/2 of the Illinois Insurance Code,

14 (1) the Director shall give primary consideration to
15 the continuation of benefits to enrollees and the financial
16 conditions of the acquired Health Maintenance Organization
17 after the merger, consolidation, or other acquisition of
18 control takes effect;

19 (2) (i) the criteria specified in subsection (1)(b) of
20 Section 131.8 of the Illinois Insurance Code shall not
21 apply and (ii) the Director, in making his determination
22 with respect to the merger, consolidation, or other
23 acquisition of control, need not take into account the
24 effect on competition of the merger, consolidation, or
25 other acquisition of control;

26 (3) the Director shall have the power to require the

1 following information:

2 (A) certification by an independent actuary of the
3 adequacy of the reserves of the Health Maintenance
4 Organization sought to be acquired;

5 (B) pro forma financial statements reflecting the
6 combined balance sheets of the acquiring company and
7 the Health Maintenance Organization sought to be
8 acquired as of the end of the preceding year and as of
9 a date 90 days prior to the acquisition, as well as pro
10 forma financial statements reflecting projected
11 combined operation for a period of 2 years;

12 (C) a pro forma business plan detailing an
13 acquiring party's plans with respect to the operation
14 of the Health Maintenance Organization sought to be
15 acquired for a period of not less than 3 years; and

16 (D) such other information as the Director shall
17 require.

18 (d) The provisions of Article VIII 1/2 of the Illinois
19 Insurance Code and this Section 5-3 shall apply to the sale by
20 any health maintenance organization of greater than 10% of its
21 enrollee population (including without limitation the health
22 maintenance organization's right, title, and interest in and to
23 its health care certificates).

24 (e) In considering any management contract or service
25 agreement subject to Section 141.1 of the Illinois Insurance
26 Code, the Director (i) shall, in addition to the criteria

1 specified in Section 141.2 of the Illinois Insurance Code, take
2 into account the effect of the management contract or service
3 agreement on the continuation of benefits to enrollees and the
4 financial condition of the health maintenance organization to
5 be managed or serviced, and (ii) need not take into account the
6 effect of the management contract or service agreement on
7 competition.

8 (f) Except for small employer groups as defined in the
9 Small Employer Rating, Renewability and Portability Health
10 Insurance Act and except for medicare supplement policies as
11 defined in Section 363 of the Illinois Insurance Code, a Health
12 Maintenance Organization may by contract agree with a group or
13 other enrollment unit to effect refunds or charge additional
14 premiums under the following terms and conditions:

15 (i) the amount of, and other terms and conditions with
16 respect to, the refund or additional premium are set forth
17 in the group or enrollment unit contract agreed in advance
18 of the period for which a refund is to be paid or
19 additional premium is to be charged (which period shall not
20 be less than one year); and

21 (ii) the amount of the refund or additional premium
22 shall not exceed 20% of the Health Maintenance
23 Organization's profitable or unprofitable experience with
24 respect to the group or other enrollment unit for the
25 period (and, for purposes of a refund or additional
26 premium, the profitable or unprofitable experience shall

1 be calculated taking into account a pro rata share of the
2 Health Maintenance Organization's administrative and
3 marketing expenses, but shall not include any refund to be
4 made or additional premium to be paid pursuant to this
5 subsection (f)). The Health Maintenance Organization and
6 the group or enrollment unit may agree that the profitable
7 or unprofitable experience may be calculated taking into
8 account the refund period and the immediately preceding 2
9 plan years.

10 The Health Maintenance Organization shall include a
11 statement in the evidence of coverage issued to each enrollee
12 describing the possibility of a refund or additional premium,
13 and upon request of any group or enrollment unit, provide to
14 the group or enrollment unit a description of the method used
15 to calculate (1) the Health Maintenance Organization's
16 profitable experience with respect to the group or enrollment
17 unit and the resulting refund to the group or enrollment unit
18 or (2) the Health Maintenance Organization's unprofitable
19 experience with respect to the group or enrollment unit and the
20 resulting additional premium to be paid by the group or
21 enrollment unit.

22 In no event shall the Illinois Health Maintenance
23 Organization Guaranty Association be liable to pay any
24 contractual obligation of an insolvent organization to pay any
25 refund authorized under this Section.

26 (g) Rulemaking authority to implement Public Act 95-1045,

1 if any, is conditioned on the rules being adopted in accordance
2 with all provisions of the Illinois Administrative Procedure
3 Act and all rules and procedures of the Joint Committee on
4 Administrative Rules; any purported rule not so adopted, for
5 whatever reason, is unauthorized.

6 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-437,
7 eff. 8-18-11; 97-486, eff. 1-1-12; 97-592, eff. 1-1-12; 97-805,
8 eff. 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14.)

9 Section 35. The Limited Health Service Organization Act is
10 amended by changing Section 4003 as follows:

11 (215 ILCS 130/4003) (from Ch. 73, par. 1504-3)

12 Sec. 4003. Illinois Insurance Code provisions. Limited
13 health service organizations shall be subject to the provisions
14 of Sections 133, 134, 136, 137, 139, 140, 141.1, 141.2, 141.3,
15 143, 143c, 147, 148, 149, 151, 152, 153, 154, 154.5, 154.6,
16 154.7, 154.8, 155.04, 155.37, 355.2, 355.3, 355b, 356v,
17 356z.10, 356z.21, 356z.22, 368a, 401, 401.1, 402, 403, 403A,
18 408, 408.2, 409, 412, 444, and 444.1 and Articles IIA, VIII
19 1/2, XII, XII 1/2, XIII, XIII 1/2, XXV, and XXVI of the
20 Illinois Insurance Code. For purposes of the Illinois Insurance
21 Code, except for Sections 444 and 444.1 and Articles XIII and
22 XIII 1/2, limited health service organizations in the following
23 categories are deemed to be domestic companies:

24 (1) a corporation under the laws of this State; or

1 (2) a corporation organized under the laws of another
2 state, 30% of more of the enrollees of which are residents
3 of this State, except a corporation subject to
4 substantially the same requirements in its state of
5 organization as is a domestic company under Article VIII
6 1/2 of the Illinois Insurance Code.

7 (Source: P.A. 97-486, eff. 1-1-12; 97-592, 1-1-12; 97-805, eff.
8 1-1-13; 97-813, eff. 7-13-12; 98-189, eff. 1-1-14.)

9 Section 40. The Voluntary Health Services Plans Act is
10 amended by changing Section 10 as follows:

11 (215 ILCS 165/10) (from Ch. 32, par. 604)

12 Sec. 10. Application of Insurance Code provisions. Health
13 services plan corporations and all persons interested therein
14 or dealing therewith shall be subject to the provisions of
15 Articles IIA and XII 1/2 and Sections 3.1, 133, 136, 139, 140,
16 143, 143c, 149, 155.22a, 155.37, 354, 355.2, 355.3, 355b, 356g,
17 356g.5, 356g.5-1, 356r, 356t, 356u, 356v, 356w, 356x, 356y,
18 356z.1, 356z.2, 356z.4, 356z.5, 356z.6, 356z.8, 356z.9,
19 356z.10, 356z.11, 356z.12, 356z.13, 356z.14, 356z.15, 356z.18,
20 356z.19, 356z.21, 356z.22, 364.01, 367.2, 368a, 401, 401.1,
21 402, 403, 403A, 408, 408.2, and 412, and paragraphs (7) and
22 (15) of Section 367 of the Illinois Insurance Code.

23 Rulemaking authority to implement Public Act 95-1045, if
24 any, is conditioned on the rules being adopted in accordance

1 with all provisions of the Illinois Administrative Procedure
2 Act and all rules and procedures of the Joint Committee on
3 Administrative Rules; any purported rule not so adopted, for
4 whatever reason, is unauthorized.

5 (Source: P.A. 97-282, eff. 8-9-11; 97-343, eff. 1-1-12; 97-486,
6 eff. 1-1-12; 97-592, eff. 1-1-12; 97-805, eff. 1-1-13; 97-813,
7 eff. 7-13-12; 98-189, eff. 1-1-14.)